

**NOMINATIONS OF: WANDA FELTON AND
KATHERINE M. O'REGAN**

HEARING
BEFORE THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS
FIRST SESSION
ON

NOMINATIONS OF:
WANDA FELTON, OF NEW YORK, TO BE FIRST VICE PRESIDENT, EXPORT-IMPORT
BANK OF THE UNITED STATES
KATHERINE M. O'REGAN, OF NEW YORK, TO BE AN ASSISTANT SECRETARY,
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEPTEMBER 10, 2013

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NOMINATIONS OF:
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TO BE FIRST VICE PRESIDENT,
EXPORT-IMPORT BANK OF THE UNITED STATES;
KATHERINE M. O'REGAN, OF NEW YORK,
TO BE AN ASSISTANT SECRETARY,
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TUESDAY, SEPTEMBER 10, 2013

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 10:04 a.m., in room SD-538, Dirksen Senate Office Building, Hon. Tim Johnson, Chairman of the Committee, presiding.

OPENING STATEMENT OF CHAIRMAN TIM JOHNSON

Chairman JOHNSON. I call this hearing to order. Today we consider two nominations: the Honorable Wanda Felton, to be First Vice President of the Export-Import Bank of the U.S.; and Dr. Katherine O'Regan, to be Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development.

Ms. Felton has been renominated to be the First Vice President of the Export-Import Bank. Ms. Felton was previously confirmed by the Senate by voice vote for her first term in 2011. During her first term, Ms. Felton helped lead the Export-Import Bank's efforts in promoting the President's National Export Initiative to double exports by 2015. She was critical to the Bank's efforts in emerging markets, particularly Sub-Saharan Africa. Ms. Felton has also participated in multiple global access events to expand U.S. companies' export opportunities. Prior to joining the Export-Import Bank, Ms. Felton spent nearly 25 years working in the financial sector in a variety of positions, including operating MAP Capital Advisors, a financial advisory firm. Ms. Felton started her career as a loan officer at the Export-Import Bank.

Dr. Katherine O'Regan has been nominated to be Assistant Secretary for Policy Development and Research at HUD. The Office of Policy Development and Research performs policy analysis, research, and evaluations to help Congress and HUD make informed policy decisions. Dr. O'Regan is currently a professor of public policy and planning and director of the Public and Nonprofit Management and Analysis Program at the Wagner Graduate School of

Public Service, New York University. She holds a Ph.D. in economics from the University of California at Berkeley and spent 10 years teaching at the Yale School of Management. Dr. O'Regan's current research includes work on a variety of affordable housing, community development, and nonprofit management topics. She serves on the board of the Reinvestment Fund, the advisory board for NYU's McSilver Institute for Poverty Policy and Research, and the editorial board for the *Journal of Policy Analysis and Management*.

Ms. Felton and Dr. O'Regan both have impressive backgrounds and are well qualified for the positions to which they are nominated. I hope we can move them through the Committee in a timely manner.

I now turn to Ranking Member Crapo for his opening statement.

STATEMENT OF SENATOR MIKE CRAPO

Senator CRAPO. Thank you, Mr. Chairman.

Today the Committee is considering two important nominations for two different organizations, and you have been very thorough in your explanation of our nominees, and so I will be brief.

Ms. Wanda Felton is being reappointed by the President, as you have said, Mr. Chairman, to her position as the First Vice President and Vice Chair of the Export-Import Bank of the United States. In that position, Vice Chair Felton stands ready to step into the shoes of President and Chairman when required, and she has held that position, as you indicated, since May of 2011.

Ms. Katherine O'Regan was recently nominated by the President to be Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development. Ms. O'Regan's position requires a critical understanding of housing markets and issues that homeowners face from both a quantitative and policy angle during a period that may prove to be among the most pressing and complex of our time.

While each nomination is unrelated to the other, the two still share at least one critical requirement in their respective jobs, and that critical point here going forward is that each of the nominees must today be committed to greater transparency and accountability in the work they do for their agencies.

Equally important is that each nominee understands the importance of having a well-run institution and commit themselves to accomplish their goals without burdening the American taxpayer.

I look forward to hearing for the nominees and working with Chairman Johnson to move these nominations through the process and to the floor.

Thank you, Mr. Chairman.

Chairman JOHNSON. Thank you, Senator Crapo.

Would any other Senator like to make an opening statement?

[No response.]

Chairman JOHNSON. The record will remain open for Senators who wish to submit an opening statement.

We will now swear in the nominees. Will the nominees please rise and raise your right hand? Do you swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Ms. FELTON. Yes.

Ms. O'REGAN. Yes.

Chairman JOHNSON. Do you agree to appear and testify before any duly constituted committee of the senate?

Ms. FELTON. Yes.

Ms. O'REGAN. Yes.

Chairman JOHNSON. Please be seated. Please be assured that your written statement will be part of the record. I invite you to introduce your family and friends in attendance before beginning your statement.

Ms. Felton, please proceed.

STATEMENT OF WANDA FELTON, OF NEW YORK, TO BE FIRST VICE PRESIDENT, EXPORT-IMPORT BANK OF THE UNITED STATES

Ms. FELTON. Thank you, Chairman Johnson. My husband, Michael Owens, is sitting directly behind me, and my cousin, Reginald Felton, is here as well. Thank you.

Thank you Mr. Chairman. Chairman Johnson, Ranking Member Crapo, and the Members of the Committee, thank you for inviting me to testify today. I am extremely gratified that President Obama has nominated me to serve a second term as First Vice President and Vice Chair of the Export-Import Bank of the United States. If confirmed, I look forward to working with you to continue growing exports and supporting U.S. jobs.

I want to, as I had previously done, acknowledge again my husband, Michael Owens, and my other family member who is here.

Eximbank is the official export credit agency of the United States. The Bank's mission is straightforward: to promote U.S. job growth and job retention through exports. The Bank provides financing to help U.S. companies expand into overseas markets when financing is not available in the private sector. Eximbank also steps in when there is a need to level the playing field because U.S. exporters are facing foreign competitors with financing from their Governments. The goal is to take financing off the table as a competitive factor so that American companies can compete for exports fair and square. Importantly, Eximbank operates at no cost to U.S. taxpayers. The Bank generated \$1.1 billion for U.S. taxpayers in fiscal year 2012 alone.

Eximbank is central to the National Export Initiative to double exports by 2015. President Obama's goal in announcing this initiative was to stimulate job growth and position our economy for sustained competitiveness and prosperity. I am passionate about this mission, and there is good reason for my enthusiasm.

"Made in the USA" remains the world's strongest brand. However, the global economy has never been more competitive. I believe we have a responsibility to do what we can to help American companies win the battle for international market share. In fiscal year 2012, Eximbank supported an estimated 255,000 jobs at 3,600 companies.

During my first term, I traveled to 20 cities and towns across the United States to engage small businesses and other business leaders in an effort to promote the President's National Export Initiative. If confirmed, I will continue this outreach because small busi-

nesses are the bedrock of our economy and their prosperity is essential to job creation.

In fiscal year 2012, Eximbank authorized \$6.1 billion of direct support for small businesses, and this represented 88 percent of our transaction volume that year. When indirect exports are taken into account, Eximbank provided a total of \$7.5 billion to support small business.

It is a fact that large exporters win sales that feed a huge but hidden chain of small and middle-market companies. Eximbank recognizes the potential of this economic leverage and has sought to amplify it.

In addition to small business outreach, I led the President's—I am sorry. I led the Bank's effort to increase commercial engagement between the United States and Sub-Saharan Africa. Eximbank has a congressional mandate to promote trade with Africa, and the President has made this a centerpiece of his trade policy.

I have worked to advance our congressional mandate and promote the President's agenda. I worked closely with the Bank's Sub-Saharan Africa Advisory Committee to develop a strategic plan to help the Bank achieve more robust results in Africa—without taking undue risk.

I look at every transaction through the lens of financial merit. Is the transaction creditworthy? Is there a reasonable assurance of repayment? That is always my starting point.

For 15 years I worked in private equity. Many of my clients invested in small and middle-market growth companies, so I have had the opportunity prior to joining Eximbank to steer capital to small businesses, including companies owned by women and minority entrepreneurs. I also did business in Latin America, India, Africa, and parts of Asia. These are some of Eximbank's most important markets.

Let me close by noting that I began my career at Eximbank. I learned credit analysis at the Bank, and I have worked in finance ever since. I have approximately 25 years of experience in credit and financial analysis which brings a perspective that is valued by board members and career staff.

Finally, it is impossible for me to convey how much it has meant to me to be able to return to Eximbank. The Bank has changed dramatically under Chairman Hochberg's leadership. In many ways, it is unrecognizable from the place I worked in the early 1980s. The commercial vitality and energy are palpable. Eximbank is reaching many more small businesses and supporting more U.S. jobs than ever before.

However, one thing has not changed: The Bank has world-class employees. They take their fiduciary duty to protect the public trust very seriously, and these public servants care deeply about Eximbank's mission. They could work anywhere making a lot more money, and yet they choose Government service. They work long hours to provide financing that keeps American workers employed. It is personal to them.

If confirmed, it would be a privilege for me to continue working with such a fine group of people.

Thank you.

Chairman JOHNSON. Thank you, Ms. Felton.
Dr. O'Regan, please proceed.

**STATEMENT OF KATHERINE M. O'REGAN, OF NEW YORK, TO
BE AN ASSISTANT SECRETARY, DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

Ms. O'REGAN. Chairman Johnson, Senator Crapo, and Members of the Committee, I am honored to appear before you today as you consider my nomination as the Assistant Secretary for the U.S. Department of Housing and Urban Development's Office of Policy Development and Research. I would like to start with some acknowledgments of family and friends. In addition to those watching from a distance, my brother Bill and his son, Billy, are seated behind me today. And watching with several sisters of mine, I want to specifically acknowledge my mother, Mary O'Regan, whose own career so greatly shaped my path to this hearing. Through her work in public health and my father's work in education, I was taught early the tremendous value of public service.

My mother is a nurse who spent most of her professional career running a health clinic located in a HUD-funded public housing project. I spent formative years witnessing the importance of place, how neighborhoods and communities matter in the lives of families, and how very important policies and community institutions can be when well run.

My career has focused on such communities, policies, and institutions, so I would like to briefly highlight three aspects of my background most relevant for this position that also shed light on how I see this role.

First, my training and research are well aligned with HUD broadly and this office specifically. For more than 20 years, I have taught and conducted research on a range of issues related to housing policy, urban areas, and community development. This includes work focused on how and why neighborhoods and communities change, what policies might drive economic improvements, and research evaluating the various effects of housing policies. As an economist who does quantitative work, I am a frequent user of the data this office collects. As a researcher whose own work speaks directly to policy, I appreciate the critical contribution of this office in driving data-driven policy decisions. Part of the office's charge is to link to the broader research community, of which I am a long-standing member.

Second, the Office of Policy Development and Research has a much broader and more important set of constituents, namely, the wide array of Federal, State, and local actors in the housing and community development fields. I have been actively engaged with members of these groups far beyond my research, from advising and collaborating with local agencies to formal and informal work with community development organizations. My experience with these groups and agencies provides me with a much better understanding of their needs and how HUD may better serve them.

Finally, I have extensive administrative and managerial experience. Over my career, I have undertaken a range of leadership roles, including more than a decade leading the largest Master's program at NYU's Wagner School for Public Service. My most sig-

nificant managerial role was as associate dean of faculty during a time of momentous change at the school. This position required working collaboratively within the school, across the university, and with external stakeholders. I chose to do this work because having well-run institutions matters, and having managed has improved how I think about the design of effective policies.

Achieving HUD's mission requires the data and knowledge to make sound, evidence-based choices about using our limited resources well, and this is the office's main role: to create such knowledge, and to participate in policy decisions that make good use of evidence. Secretary Donovan has emphasized this approach throughout his tenure and its importance to the continued transformation of HUD. If confirmed, I look forward to working tirelessly on this goal, with the Secretary, the administration, and Members of this Committee, and I would be honored to have the opportunity to serve.

Thank you, and I look forward to your questions.

Chairman JOHNSON. Thank you, Dr. O'Regan.

We will now begin asking questions of our witnesses. Will the clerk please put 5 minutes on the clock for each Member?

Ms. Felton, during the most recent economic crisis, the Bank was able to help American exporters who were finding it difficult to acquire private financing. As the economy continues to improve, how do you see the Bank's role changing?

Ms. FELTON. Thank you, Chairman Johnson. The Bank has had record growth in the last 4 years, and that is a reflection of the economic conditions that existed. It is true that the Bank tends to be countercyclical and become more active during difficult economies. I would expect that as the economy improves that the Bank's activity would level off. I think we have already begun to see that with respect to the number of applications that we are receiving to finance aircraft, and that would continue in all likelihood as the economy improves. Thank you.

Chairman JOHNSON. Ms. Felton, can you describe how the Bank has worked to meet the goal of the President's National Export Initiative, which seeks to double U.S. exports by 2015?

Ms. FELTON. Yes, sir. Eximbank is really, I think, at the center of the President's National Export Initiative. One of the things that the Bank has done is tried to focus very actively on bringing more small businesses into exporting, help them understand the opportunities that are available to them outside the United States and how to use Eximbank's financing to support their growth.

There are statistics that abound: 95 percent of the world's consumers are outside the United States. Some 200 million people enter the middle class globally each year. There is an expectation that there will be \$2 trillion worth of spending every year for the next 20 years on infrastructure. These create enormous opportunities for American businesses, both large and small, and one of the things the Bank has done is led a very proactive outreach effort that included 60 what we call Global Access Forums in the last year in order to make sure American companies are aware of these opportunities and going out and seeking them.

Chairman JOHNSON. Dr. O'Regan, as you mentioned, you have had considerable experience as a researcher, both producing and

consuming the kind of information that the Office of Policy Development and Research, PD&R, makes available. How has this experience informed your goals for your time as the head of the office, if confirmed?

Ms. O'REGAN. Thank you, Chairman. I have been very involved in research in this area and know PD&R, as it is called, well and its work. I think the current circumstances in housing markets have only elevated the importance of having a strong, independent analytical arm within HUD that can and that does collect current information on housing markets and has the capacity to conduct timely evaluations on what is going on in housing markets and to be active as housing reforms come through and other policies to see their impact in the market. So I see that as one of the biggest areas that PD&R should be focusing on going forward. If confirmed, that would be my highest priority.

Chairman JOHNSON. Dr. O'Regan, in addition to your public policy research credentials, you also bring both research and experience in management to your nomination. How would this experience shape your management agenda at PD&R?

Ms. O'REGAN. Thank you, Chairman. Yes, that is the other side of the research agenda that I have. It was driven in part by observations that I made in the field, but also having spent 10 years at the Yale School of Management, and it gave me experience that my training in economics had not. And it has taught me the role of strong governance, transparency and accountability, and paying as much attention to the implementation side of developing policies that could work along with the policies themselves. If you focus on only one, you can fail.

Chairman JOHNSON. Ms. Felton, during your time on the Board, you have focused on increasing American exports to Africa. Can you explain why increasing exports to Africa is good for American businesses and workers?

Ms. FELTON. Yes, Mr. Chairman. I think it is vitally important, actually. Consistent with my earlier comment about the growth that is taking place in emerging markets in particular more broadly, in Africa there is a projection and expectation of enormous growth. Seven of the ten fastest-growing economies in the next 5 years are expected to be in Africa. We have already seen over the last decade real growth, not just economic growth but demographic changes and political stability that create a business climate in many countries that should be very attractive for investment and trade.

My observation is that if American companies participate in this, again, not just in Africa but globally, that offers the opportunity to stimulate real economic growth at home with the opportunity to create jobs and lasting prosperity.

Finally, with respect to Africa, American companies have not been as active as they could be because, I think, of real risk aversion and perceptions about risk. However, there are ways to do business in a way that contains risk and is thoughtful about the risk that doing business in any foreign country can present. And, importantly, if we do not put our stakes down now, we risk being marginalized for a very, very long time, if not forever. There is a lot of competition from other countries, particularly coming from

Asia, and China especially; and many of the large infrastructure projects that need to get built get built once. And if you miss that opportunity, you are locked out, probably for a generation or more. And you miss the after sales, the maintenance; you miss the next opportunity to build a project. And it also relates to the consumer sector. Consumer brands get established early, and consumer loyalties get established early. So there is a huge opportunity across an array of sectors for American companies to participate and grow jobs.

Chairman JOHNSON. Senator Crapo.

Senator CRAPO. Thank you very much, Mr. Chairman.

Ms. Felton, at the outset I want to thank the Eximbank for their outreach to small businesses around the country. As I am sure you are aware, Idaho was the beneficiary just recently of one of the efforts that the Eximbank is making to help bring small businesses into a greater understanding of the potential that is available for us to increase our exporting. And that was something that was very well attended, and I think it is going to be very beneficial to the small businesses in Idaho. And I appreciate the fact that I see that going on around the country. I think that is important.

Could you repeat again—I think you said something about this in your opening statement. But the level of success that we are now achieving among small businesses with the Bank's efforts, could you discuss that again briefly?

Ms. FELTON. Yes, and let me say the Bank was very excited to have the opportunity to do a Global Access Forum in your State, Senator.

The Bank, when Chairman Hochberg joined, did about \$3.2 billion—I think in his first year, in 2008 did \$3.2 billion of support for small businesses. And in the last year, we reported \$6.1 billion of direct support for small business, and that does not include an additional amount that was done of indirect support. By that I mean support that went to larger exporters who, because they want a sale, were able to participate in the growth outside the United States and received Export-Import Bank financing indirectly. It is very important.

That is just our small business number. We have in the last year authorized \$35.8 billion of total authorizations for U.S. exports.

Senator CRAPO. All right. Thank you. And I want to highlight another point that you made in your statement because one of the issues that we face with regard to virtually every agency today is what burden they bring to our budget, particularly to the impact on the American taxpayer. And as you have indicated, the Eximbank operates as a self-sustaining entity and has for some years now. Could you give us those figures again?

Ms. FELTON. Yes. In the last year, Eximbank generated \$1.1 billion for the taxpayer.

Senator CRAPO. I wish every single one of our Federal programs could operate in the same way. We would not have the same problems. But I think that it is notable, and it is important to make that note as we go into the budget battles that we will, unfortunately, be getting deeply into—and I guess fortunately. We need to get into them, and we need to get them resolved in some good ways.

Another question I have is: You mentioned in your testimony that one of the first if not the first questions you asked with regard to any proposal is whether there is a reasonable assurance of repayment. In that context, one of the questions I would like to have you respond to is what I have noticed over the years in observing the Eximbank's operations, which I think have been handled very well, is that often, as you just indicated, there are suppliers as well as major manufacturers, and many others in the chain of production of a product or delivery of a service, and they are not always all U.S. companies or all non-U.S. companies. And so a loan could be proposed for an entity with the basis of the loan being that it is a U.S. company or that it is going to have suppliers who are U.S. companies. But other competitors, other competitor suppliers or other competitor producers, might not be U.S. companies. And I think it might get a little bit complicated in trying to make sure that we are not using the Eximbank to subsidize companies that are not American made, if you will.

Do you understand the question I am asking? It has got to be an issue that comes up as we deal with the different supply lines and allocations of production.

Ms. FELTON. Yes, sir, I think I understand the question. I think there may be two questions embedded in there. The Eximbank is careful—I think you are alluding to content.

Senator CRAPO. Yes.

Ms. FELTON. The Export-Import Bank has a requirement, a policy in place that requires that we finance the lesser of 85 percent of the U.S. content or 100 percent of the contract value. We managed that policy—there are some critics that say that we should lower our content requirements. However, if we did that, we might find ourselves in a position of supporting foreign jobs and production.

We do think it is important to make sure that American companies are able to compete. And as I noted in my comments, the global economy is very, very competitive, and many foreign Governments are providing export finance for their companies, and we have to be mindful of that. But we also see that as an opportunity to cofinance with other countries.

And I can provide one example, I think, that is very illustrative. There is a company that makes crop dusters in Texas called Air Tractor, and Air Tractor, most of the production, 70 percent of it, is done in the United States. However, they build the engines in Canada, and so 30 percent of the content is Canadian. We cofinanced exports for Air Tractor with the Canadian export credit agency, EDC, and that way Air Tractor was able to receive full financing for its exports, and at the same time Eximbank did not use American taxpayers' dollars to support the Canadian content.

Senator CRAPO. Thank you. I appreciate that, and I do have some questions for Dr. O'Regan, but I will wait for my next chance, Mr. Chairman.

Chairman JOHNSON. Senator Warren.

Senator WARREN. Thank you, Mr. Chairman. Thank you. Thank you both for being here.

Ms. Felton, I very much appreciate the focus in your original testimony on small businesses and the importance of the Eximbank

and how it is that it can support small businesses and give them access to markets they might not otherwise have. And I, like the Ranking Member, am very pleased to see some of the good news that you are able to bring us that the number of dollars that have gone into small business lending has increased from 2008 to 2012.

But the bad news seems to show that over the last 5 years, the Bank has dedicated a smaller proportion of its lending to small businesses, and so while small business lending made up 22 percent of Eximbank's lending back in 2008, by 2012, according to your published reports, it is down to 17 percent.

So I am a little concerned here about the trend. Can you give us some explanation about what is going on?

Ms. FELTON. Yes, Senator. Thank you for the question. It is a very good one. We are mindful that we have a congressional mandate to finance or allocate 20 percent of our financing to small businesses. And what I should have noted is that although, as you correctly pointed out, the dollar amount that has gone to small business relative to our total outstanding financing has declined, the number of transactions that are represented in our activity is very, very significant. Eighty-eight percent of our transaction volume in 2012 represented small businesses. And that is kind of the classic 80-20 rule, that it is labor intensive, it takes a lot to reach small businesses, and that it is part of why we are conducting so many Global Access Forums around the country in order to reach out and find them and make sure that they know about the opportunity to work with Eximbank in order to finance their exports.

But beyond the outreach and the promotion, we have created, I think, a number of strategies and adopted some innovations in order to leverage our resources better so that we can get more done, and I think taken some other very important initiatives.

So when you look at the relative decline as a percentage of our financing of the dollars that have gone to support small business, it is really a function of the denominator. What we are finding is that, you know, there are a number of very large transactions that are coming to the Bank, some of them having to do with large infrastructure projects. I will give you an example. We financed a large petrochemical facility in Saudi Arabia. It was \$5 billion of financing, and I think it created something like 11,000 jobs or supported 11,000 jobs in the United States. That is very powerful.

But in order to get the opportunity to support so many jobs with one transaction that is \$5 billion, we would have to go out and find \$1 billion of small business opportunities to support, and that can be difficult. So that is one of the things that you are seeing when you see the relative decline in terms of small business support compared to what we have done overall.

I would say that—and I will finish this up—in addition to creating new programs to create more efficiency with respect to how we process small business activity, we have been very successful in negotiating opportunities for U.S. procurement, particularly from small businesses, with respect to some of the large projects that we finance. So, for example, Pemex is the large—the national oil company for Mexico. We financed them for a long time so that they could purchase from the United States. And a couple of years ago, our project finance team negotiated a set-aside for small business

of \$200 million, asked Pemex to identify 500 small companies that they do business with. We scrubbed that list to make sure that they, in fact, were small businesses, that they existed, and that they complied with the SBA's definition of small business.

So we take the mandate very seriously. We are working closely with the SBA as part of the Commerce Department, SBA collaboration on global business solutions, and doing everything we can in order to promote more financing for small businesses.

Senator WARREN. Well, then let me just wrap this up by saying I very much appreciate the attention you are giving to this. I very much appreciate the outreach and the multiple ways in which you may assist small businesses, sometimes through large business lending. But I hope that the trend line we are seeing—and that is dropping from, just in a very short period of time, 22 percent of the dollars that go out the door are going to small businesses down to 17 percent of the dollars going out the door are going to small businesses. I hope that is a trend line we are going to be able to stop and to reverse, that it is still the mandate for Eximbank to be able to make sure that we are getting these dollars directly to our small businesses.

Ms. FELTON. Yes, Senator. I can assure you that the Chairman is very committed to that, and if confirmed, I would be very committed as well.

Senator WARREN. Good. Thank you very much.

I will hold off on Ms. O'Regan. Thank you. Thank you, Mr. Chairman.

Chairman JOHNSON. Ms. Felton, authorizations for women-owned and minority-owned small businesses reached a record \$838 million last year, up almost 17 percent from 2011. What can the Bank do moving forward to support even more minority-owned and women-owned businesses?

Ms. FELTON. Thank you, Mr. Chairman, for that question. We have a number of outreach efforts underway in order to reach more minority-owned businesses. For example, we signed an MOU with the minority development—supplier development agency at the Commerce Department so that we can collaborate in working with them and identifying opportunities to work with minority-owned firms. Some of the data that they have developed shows that very often small business exporters export to their country of home origin, and they have familiarity and relationships and understand the markets.

And so one of our directors, Director Pat Loui, who is sitting here behind me, has led the outreach to the Asian American Pacific Islanders demographic in order to increase our penetration and make them more aware of opportunities to do business with Eximbank. I have worked with African American groups; specifically, I see an opportunity to work with the African diaspora community, many of whom came here to go to school, went to college and obtained graduate degrees, and are a real asset to the United States and Africa. They are not as risk averse as other companies in terms of going out and seeking the opportunities. And some of them have engineering companies that got started with Government contracts and have demonstrated over, you know, one or two decades the ability to do whatever it is, in terms of construction and building and engi-

neering work, and make—I think that there may be an opportunity to help companies like that that have demonstrable experience in construction develop opportunities to build small power plants, do water projects, whatever, in Africa. And we have done some of that already.

Chairman JOHNSON. Ms. Felton, what is your experience dealing with the Native American community?

Ms. FELTON. Sir, I personally do not have a lot of experience dealing with the Native American community. However, I did have the opportunity to work a little bit with the Commerce Department. A former official there, Reta Jo Lewis, was very involved in the Sister Cities and also the Native American outreach effort through the Commerce Department. So it is something that we can, I think, put higher up on our list of priorities.

Chairman JOHNSON. Yes. Dr. O'Regan, what would your priorities be as Assistant Secretary for PD&R at HUD?

Ms. O'REGAN. Thank you, Mr. Chairman. My first priority, if I were to be confirmed, is to do an assessment of the current capacities at PD&R. In 2008, as you probably know, the National Academy of Sciences did an assessment of PD&R, and one of their key findings was that over the past several decades, its capacity had deteriorated. Since then, in the past 5 years, major strides have been made in increasing its capacity—the analytical capacity and the data needed for the type of independent research that we all need for our housing policies. And so I think the time has come to do an assessment. That would be the first step, if confirmed, to see what is needed now to secure the gains that have been made and any additional steps to be sure that we have the data that we need for monitoring well-functioning housing markets.

Chairman JOHNSON. Senator Crapo.

Senator CRAPO. Thank you, Mr. Chairman.

Dr. O'Regan, I want to get into some issues that are specifically going on at HUD right now. I realize that you are appointed to go there, but I am hopeful that you can comment on some of these.

Currently at HUD there is a proposed rule on the Affirmatively Furthering Fair Housing. This rule will provide data to grantees participating in certain housing programs and is aimed at fulfilling HUD's responsibility to assure that we combat discrimination in these programs. Are you familiar with this proposed rule?

Ms. O'REGAN. Yes, I am.

Senator CRAPO. Good. Could you tell me specifically what types of data will HUD be providing under the rule?

Ms. O'REGAN. Thank you, Senator, for that question. The proposed rule has been made, and we are still in the public comment period, so I have not read through most of the public comments, and then HUD would probably be responding to those comments. But I do not know the specifics. On that front, though, PD&R, for whatever data will be created and put forward, PD&R would have a very big role. That is where it should sit. And the goal, as I would see it, if I was confirmed, is to make sure that we have the burden of the creation of the data and the transmission of the data on HUD, not the participants and the local communities, and this actually might help level the playing field on communities of different sizes that do not have the scale to be able to get the data

needed themselves; and then to make sure that the data are going to be able to answer the kind of questions that are embedded in the proposed rule.

Senator CRAPO. Well, thank you. In fact, you answered what was going to be one of my follow-up questions about where this burden would fall.

Do you have any privacy concerns? And how will this data collection interplay with HUD's existing data collection efforts?

Ms. O'REGAN. Thank you, Senator. That would probably be a little bit speculative from the outside, having read the proposed rule. There are many publicly available data that are aggregated at levels that always protect privacy and that are still at a low enough level of geography that we can do the kinds of work and assessing what is looking at—how neighborhoods look relative to other parts of the metropolitan area. So I would see no need for going below that level for this type of analysis.

Senator CRAPO. All right. That would be important, in my opinion, to protect the privacy. Can you discuss this rule, the assessment of the rule the grantees will be required to complete under the proposed rule? And how does that compare to the existing analysis of impediments to fair housing choice?

Ms. O'REGAN. Senator, the final rule has not been written, but comparing just the process component of this rule, it moves the analysis earlier in the process. And so to the extent that planners are going to take important information into account in making choices, it moves the data and the information before the choices are made. And so to me that seems a great contribution. Adding data into the analysis after a decision is made is not very useful.

Senator CRAPO. We can agree on that. Well, I thank you for your efforts here, and I will look forward to having a further discussion with you after we get further into this process and you are heavily involved in its implementation.

Thank you.

Chairman JOHNSON. Senator Warren.

Senator WARREN. Thank you.

Dr. O'Regan, as you know, the financial crash of 2008 was quick, sudden, and it caught our Nation unawares and seemed to catch most of our regulators unawares as well. But the crisis was years in the making, and there really were a lot of signposts that we were headed for trouble.

I think specifically about consumer financial products. A generation ago it was clear, you could see the price of a credit card, of a mortgage, checking accounts. Both the borrowers and the lenders knew the terms of what they were getting into. By the time of the crash, lenders had moved to a very different business model where they advertised one up-front price, but then back in the fine print there were lots of charges and changes in the interest rates and so on that ultimately changed how much the consumer was paying and obscured how much the consumer was paying. Buyers were less and less able to make comparisons among products and less and less able to tell what kind of obligation they were taking on.

Now, the 2008 crash started one lousy mortgage at a time, and yet our regulators seemed remarkably caught off guard during this. As you know, the Office of Policy Development and Research at

HUD is responsible for monitoring the housing market conditions and analyzing and gathering data. So my question is: What do you think needs to change at HUD in the way data are collected and analyzed to make sure we are never caught by surprise again?

Ms. O'REGAN. Senator, thank you for that question. I am going to build off my earlier response on thinking about that report from the National Academy of Sciences, which is that the internal capacity inside PD&R on data and analytics had declined dramatically, and one part of that was in the economics and housing market piece. And that has been one of the areas that has been built up most since 2008, and I think that is critical. You need ongoing research and data, and you need the staff capacity to be paying attention. And so the number of staff that have been lost during that time with expertise was quite large.

A second piece of this, though, I think, as you know, you are going to be watching the indicators. You have the data, and you have got the right staff for doing it. You need to be forward-looking, and the ability of PD&R to be looking forward through demonstrations and research had also been limited.

One of the areas in which I know HUD is doing research now has to do on financial literacy and different types of counseling programs to both see which ones work and which ones are more cost effective. That is something we should know as we are looking to design the solutions to avoiding the next housing crisis.

So I think you need capacity both for what is going on in the moment and looking forward.

Senator WARREN. And you feel like you have the commitment that you are going to be able to have the resources you need to collect the data you need and have the people you need to analyze them?

Ms. O'REGAN. If I am confirmed, that is my highest priority, and it is why I am taking this job.

Senator WARREN. Good. I am delighted to hear it.

Now, I have another question for you along another part of this line, and that is, as you know, the housing market has not entirely recovered from the 2008 crisis. According to a recent study by CoreLogic, one in five families with a mortgage is still below water. So the question I have for you is: What is it that your division can do to help inform HUD and to make certain that HUD is responding to the housing crisis in the fullest and most effective way?

Ms. O'REGAN. Thank you, Senator. I think this is on the research side. One of the most difficult things is to look out at a complicated problem like what is going on in housing markets and see possible solutions, and the benefit of having ongoing research—and, for example, the decisions that households make when they are underwater, there has been a considerable amount of research during this crisis that has surprised some analysts on who walks away or who does not walk away and what does it take to be able to—what type of modifications does it take in order to have sustainable homeownership, and those insights came from research. And so I think this is the purview of what PD&R should be strong at, and these types of lessons from the last several years should shape the agenda of what research we are doing going forward.

Senator WARREN. So I am hearing you say in part that what you want to do is you want to expand the reach of the research and take it in some new directions. Is that correct?

Ms. O'REGAN. One of the things that PD&R did in the last year was expand the way it devised its forward-looking research agenda. One of the criticisms in the National Academy of Sciences report was that it was insular, looked inside PD&R and HUD for making these decisions. They took that to heart. They opened up the process last year, had hearings, conferences, and input from others to shape the forward-looking agenda in a way that it should meet the needs of a much broader set of people who are looking at housing markets.

So I think that process is exactly a much better one than was used in the past, and I would be recommending using something like that going forward for setting the research agenda.

Senator WARREN. Good. Well, I just want to say I am very encouraged by the direction that HUD has already started, but by the way you talk about the importance of research and as you rightly say, Ranking Member, the importance of doing the research that helps us inform decisions before we make them, that we have a real opportunity here to make better decisions going forward. So thank you very much. Thank you both. Thank you for your willingness to serve.

Thank you.

Chairman JOHNSON. Thank you, Ms. Felton and Dr. O'Regan, for your testimony and for your willingness to serve our Nation.

I ask all Members to submit questions for the record by COB this Friday, September 13. I would also ask the nominees to please submit your answers to the written questions as soon as possible so that we can move your nominations in a timely manner.

This hearing is adjourned.

[Whereupon, at 10:55 a.m., the hearing was adjourned.]

[Prepared statements, biographical sketches of nominees, and responses to written questions supplied for the record follow:]

PREPARED STATEMENT OF WANDA FELTON

TO BE FIRST VICE PRESIDENT, EXPORT-IMPORT BANK OF THE UNITED STATES

SEPTEMBER 10, 2013

Thank you Mr. Chairman. Chairman Johnson, Ranking Member Crapo, and the Members of this Committee, thank you for inviting me to testify today. I am extremely gratified that President Obama has nominated me to serve a second term as First Vice President and Vice Chair of the Export-Import Bank of the United States. If confirmed, I look forward to working with you to continue growing exports and supporting U.S. jobs.

I also want to acknowledge the presence and support of my mother Maro Lester, my husband Michael Owens, and other family members who are here today.

Ex-Im Bank is the official export credit agency of the United States. The Bank's mission is straightforward—to promote U.S. job growth and job retention through exports. The Bank provides financing to help U.S. companies expand into overseas markets when financing is not available in the private sector. Ex-Im Bank also steps in when there is a need to level the playing field because U.S. exporters are facing foreign competitors with financing from their Governments. The goal is to take financing off the table as a competitive factor so that American companies can compete for export sales fair and square. Importantly, Ex-Im Bank operates at no cost to taxpayers. The Bank generated \$1.1 billion for the U.S. taxpayers in FY2012 alone.

Ex-Im Bank is central to the National Export Initiative to double exports by 2015. President Obama's goal in announcing this initiative was to stimulate job growth and position our economy for sustained competitiveness and prosperity. I am passionate about this mission, and there is good reason for my enthusiasm.

"Made in the USA" remains the world's strongest brand. However, the global economy has never been more competitive. I believe that we have a responsibility to do what we can to help American companies win the battle for international market share. In fiscal 2012, Ex-Im Bank supported an estimated 255,000 American jobs at 3,600 companies.

During my first term, I traveled to 20 cities and towns across the United States to engage small businesses and other business leaders in an effort to promote the President's National Export Initiative. If confirmed, I will continue this outreach because small businesses are the bedrock of our economy and their prosperity is essential to job creation.

In fiscal 2012, Ex-Im Bank authorized \$6.1 billion of direct support for small business exporters. This represented 88 percent of 2012 transaction volume. When indirect exports are taken into account, Ex-Im Bank provided a total of \$7.5 billion of support for small businesses.

It is a fact that large exporters win sales that feed a huge but hidden chain of small- and middle-market suppliers. Ex-Im Bank recognizes the potential of this economic leverage and has sought to amplify it through new programs.

In addition to small business outreach, I led Ex-Im Bank's effort to increase commercial engagement between the United States and sub-Saharan Africa. Ex-Im Bank has a congressional mandate to promote trade with Africa, and the President has made this a centerpiece of his trade policy.

I have worked to advance our congressional mandate and promote the President's agenda. I worked closely with Ex-Im Bank's Sub-Saharan Africa Advisory Committee to develop a strategic plan to help the Bank achieve more robust results in Africa—without taking undue risk.

I look at every transaction through the lens of financial merit. Is the transaction creditworthy? Is there a reasonable assurance of repayment? That is always my starting point.

For 15 years I worked in private equity. Many of my clients invested in small- and middle-market growth companies so I helped steer capital to small businesses, including companies owned by women and minority entrepreneurs. During those years, I also did business in Latin America, India, Africa, and parts of Asia. These are some of Ex-Im Bank's most important markets.

Let me close by noting that I began my career at Ex-Im Bank. I learned credit analysis at the Bank and have worked in finance ever since. I have approximately 25 years of experience in credit and financial analysis which brings a perspective that is valued by board members and career staff.

Finally, it is impossible for me to convey how much it has meant to me to be able to return to Ex-Im Bank. The Bank has changed dramatically under Chairman Hochberg's leadership. In many ways, it is unrecognizable from the place I worked in the early 1980s—the commercial vitality and energy are palpable. Ex-Im Bank

is reaching many more small businesses and supporting far more U.S. jobs than ever before.

However, one thing has not changed—Ex-Im Bank has world-class employees. They take their fiduciary duty to protect the public trust very seriously and these public servants care deeply about Ex-Im Bank's mission. They could work anywhere making a lot more money, yet they choose Government service. They work long hours to provide financing that keeps American workers employed. It is personal to them.

If confirmed, it would be a privilege to continue working with such a fine group of people.

Thank you.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES
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Name: Felton Wanda Faye
(Last) (First) (Other)

Position to which nominated: First Vice President & Vice Chair, Export-Import Bank of the United States

Date of nomination: 07/09/2013

Date of birth: 31/12/1957 Place of birth: Washington, DC
(Day) (Month) (Year)

Marital Status: Married Full name of spouse: Michael Timothy Owens

Name and ages of children: None

Education:	Institution	Dates attended	Degrees received	Dates of degrees
	Harvard Business School	09/1982 – 06/1984	M.B.A.	06/1984
	University of Pennsylvania	09/1975 – 12/1978	B.A.	12/1978

Honors and Awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognition for outstanding service or achievement.

None.

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Executive Women in Government	Co-Chair Annual Summit	2013 - Present
Achievement First Apollo - Board of Trustees	Chair	2007 – 2011
Howard Theatre Restoration Inc.	Chair	2000 – 2011
Harvard Business School Club of NY	Member	2006 – Present
Council of Urban Professionals	Member	2006 – Present
PE WIN	Member	2009 – 2011
American Association of University Women	Scholarship Selection Committee	1990 – 1992
Harvard Business School African American Alumni Assn.	Member	1984 - Present
Delta Sigma Theta Sorority	Member	1976 - 1979

**Employment
record:**

List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

Company	Title	Role	Dates	Location
Export-Import Bank of the United States	First Vice President and Vice Chair	Government	2011 – 2013	Washington, DC
Map Capital Advisors	Managing Member	Consulting	2009 – 2011	New York
Helix Associates, a Division of Jefferies	Managing Director	Investment Banking	2006 – 2009	New York
Map Capital Advisors	Managing Member	Consulting	2004 – 2006	New York
Credit Suisse First Boston	Director	Investment Banking	1997 – 2004	New York
SCP Private Equity / Potomac Investment Services	Vice President	Private Equity	1996 – 1997	Wayne, PA
Hamilton Lane Advisors	Managing Director	Private Equity	1993 – 1996	Philadelphia
V.A. Reid & Associates	Director of Marketing	Investment Mgmt	1992 – 1993	Baltimore, MD
Alex. Brown & Sons	Vice President	Investment Banking	1986 – 1992	Baltimore, MD
Citicorp N.A.	Associate	Investment Banking	1984 – 1986	New York, NY
Export-Import Bank of the United States	Loan Officer	Government	1979 – 1982	Washington, DC

**Government
Experience:**

List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

The Export-Import Bank of the United States, First Vice President and Vice Chair, 2011 – 2013.

The Export-Import Bank of the United States, Loan Officer, 1979 – 1982.

**Published
Writings:**

List the titles, publishers and dates of books, articles, reports or other published materials you have written.

None.

**Political
Affiliations and
Activities:**

List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

None.

Political Contributions: Itemize all political contributions of \$500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

\$ 1,000	Obama Victory Fund	October 2012
1,000	Obama for America	May 2012
500	Joanne Dowdell For Congress	July 2011
500	DNC	April 2010
5,000	Obama Victory Fund DNC	September 2008
500	John Edwards for President	March 2007
4,600	Obama for America	March 2007
500	DNC Kerry-Edwards 2004	December 2005

Qualifications: State fully your qualifications to serve in the position to which you have been named.
(attach sheet)
See attached.

Future employment relationships: 1. Indicate whether you will sever all connections with your present employer, business, firm, association or organization if you are confirmed by the Senate.

No, the position I am nominated for is with my current employer.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

I currently have no future employment plans after government service.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

Potential conflicts of interest: 1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

I participate in the Credit Suisse Private Funds Group Pre-Tax Plan, although no further contributions will be made by me or Credit Suisse. This plan tracks several assets, including investment funds, but does not hold any underlying assets. Consistent with my Ethics Agreement, I have agreed that I will not participate personally and substantially in any particular matter in which to my knowledge I have a financial interest with regard to each of these tracked assets, if the particular matter has a direct and predictable effect on the financial interests of the asset or its underlying holdings, unless I first obtain a written waiver or qualify for a regulatory exemption. In addition, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of Credit Suisse or any successor company, to provide this contractual benefit, unless I first obtain a written waiver, or qualify for a regulatory exemption.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Export-Import Bank's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Bank's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for your for yourself, on behalf of a client, or acting as an agent, that might in anyway constitute or result in a possible conflict of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Export-Import Bank's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Bank's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

4. List any lobbying activity during the past ten years which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

I have engaged in no such activity.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Export-Import Bank's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Bank's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

Civil, criminal and
investigatory
actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

I am not and have never been a defendant in any criminal matter or the subject of any criminal or civil inquiry or investigation. I have been named a defendant in civil litigation in my official capacity as First Vice President and Vice Chair of the Export Import Bank of the United States; however, none have resulted in any findings of wrongdoing against me.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None.

The undersigned certifies that the information contained herein is true and correct.

Signed: Wada Elba Date: 7-31-2013

Wanda Felton
Statement of Qualifications

I am honored that President Obama has chosen to nominate me to serve a second term as First Vice President and Vice Chair of the Export-Import Bank of the United States. It is a special privilege to serve at this institution at a time of such high stakes for the U.S. economy. The stakes are high because export competitiveness is so fundamental to our overall economic prosperity and job growth. Ex-Im Bank helps level the playing field against unfair foreign financing. This sustains employment now and is strategically important to position our economy for long-term growth for the benefit of all Americans.

American companies increasingly face off against well financed foreign competitors in the battle for market share in high growth emerging economies. When foreign competitors receive concessionary financing from their governments, American companies are disadvantaged. If we do not act, we risk ceding large high growth markets to more aggressive competitors. This is true all over the world. However, it is especially true in sub-Saharan Africa, a region where I focus.

President Obama launched the *National Export Initiative* to double U.S. exports by 2014 because he recognized the opportunities that are available to American companies overseas. Export-led growth offers a sustainable path to lasting economic prosperity and tends to create higher-paying jobs by leveraging American strengths in innovation and technology. U.S. exports have grown at an average annualized rate of 10.8 percent since the President took office and reached a record \$2.2 trillion in April 2013. These datapoints are important because export growth correlates highly with job growth. According to the Bureau of Labor Statistics, each \$1 billion of additional exports is associated with approximately 5,000 new or retained jobs.

Ex-Im Bank is central to the *National Export Initiative*. Under Chairman Hochberg's leadership, Ex-Im Bank's portfolio has grown significantly. In fiscal 2012, Ex-Im Bank's authorizations supported \$50 billion in export sales and 255,000 jobs at 3,400 companies. The Bank has developed a number of new products tailored to meet the specific needs of small businesses, including small suppliers to larger companies – or our so-called “indirect exporters”. During my two-year tenure, I traveled widely to get the word out to small businesses, speaking at 25 events or roundtable discussions in 19 cities. In addition, I led or participated in three trade missions to six African countries and worked closely with the Bank's Sub-Saharan Africa Advisory Committee to assist the Bank in developing a more proactive strategy to serve U.S. exporters seeking to expand in Africa. If confirmed, I look forward to continuing to support the recently launched *Power Africa* initiative.

I believe my financial industry experience serves Ex-Im Bank well. I began my career as a Loan Officer at Ex-Im Bank. My understanding of credit markets and debt instruments is fundamental to the ability to assess the risks associated with requests for Ex-Im Bank financing, and by extension, preserve the Bank's ability to sustain its operations without burdening taxpayers. I have also worked in corporate finance, with a particular focus on raising capital for banks and other financial institutions. This experience enhanced my knowledge of commercial banking.

For 15 years prior to assuming my most recent role as First Vice President and Vice Chair of Ex-Im Bank, I focused on private equity. During this time, I raised a significant amount of capital for small and mid-sized companies and helped expand access to capital for small companies owned by women and minorities. In addition, I have had the opportunity to work on assignments which steered private capital to emerging markets. I take particular pride in three transactions in which I played a leadership role:

- In 1994, I advised two of the nation's largest pension funds, CalPERS and New York Common Retirement Fund, in connection with their first forays into private equity investing in post-Apartheid South Africa.
- In 2004, I advised Actis Global Emerging Markets upon its privatization, and again in 2007, in a successful effort to raise \$2.9 billion of institutional capital. Actis was formerly part of the Commonwealth Development Corporation (CDC), an agency of the British government formed in 1948 to invest in infrastructure in Africa, Asia and the Caribbean.

- More recently, I advised African Capital Alliance, a firm which raised \$400 million to invest in telecommunications, banking, oil & gas, and electricity generation in West Africa.

The transactions noted above were groundbreaking at the time. A main feature of my responsibility was to assume the perspective of a fiduciary in order to test the investment merits and risks of various markets and investment strategies. As part of this process, I made 38 trips to foreign countries to conduct investment due diligence. These countries included the growth engines of emerging markets (India, China, Brazil, and Nigeria) and many less vibrant economies.

If I am re-confirmed as First Vice President and Vice Chair of Ex-Im Bank, I will continue to promote U.S. exports to sub-Saharan Africa — widely considered the final frontier for growth and a region which offers vast opportunities for trade and investment. Various factors, including increasing global competition for commodities, are fostering growing demand for services and equipment that can support the development of (1) basic infrastructure, (2) energy, (3) power generation, (4) transportation, (5) agribusiness, and (6) banking. These are sectors which American businesses — large and small — can and should supply.

I am passionate about Ex-Im Bank's mission. I have seen American ingenuity at work and how companies are responding to new competitive challenges and opportunities, and I am convinced that a proactive strategy to drive export growth can stimulate manufacturing and innovation, create jobs and strengthen our economy.

PREPARED STATEMENT OF KATHERINE M. O'REGAN
 TO BE AN ASSISTANT SECRETARY, DEPARTMENT OF HOUSING AND URBAN
 DEVELOPMENT

SEPTEMBER 10, 2013

Chairman Johnson, Senator Crapo, and Members of the Committee, I am honored to appear before you today as you consider my nomination as the Assistant Secretary for the U.S. Department of Housing and Urban Development's Office of Policy Development and Research. I would like to start by acknowledging and thanking family members and friends here today, both physically and virtually. In addition to those watching from a distance, my brother Bill O'Regan and his oldest child, Bill, are seated behind me. And watching with several sisters from her home in Rhode Island, I want to specifically acknowledge my mother, Mary O'Regan, whose own career so greatly shaped my path to this hearing. Through her work in public health, and my father's work in education, I was taught the tremendous importance of public service.

My mother is a nurse who spent most of her professional career running a community health clinic located within a HUD-funded public housing project in Providence. I spent formative years witnessing the importance of place—how neighborhoods and communities matter in the lives of families—and how very important well-designed public policies and well-run community institutions can be.

My career has focused on such communities, institutions, and policies. Let me briefly highlight three aspects of my background most relevant for this position that also shed light on how I see the office's role.

First, my training and research are well aligned with HUD broadly and this office specifically. For more than 20 years, I have taught and conducted research on a range of issues related to housing policy, urban areas, and community development. This includes work focused on how and why neighborhoods and communities change, what policies might drive economic improvements, and research evaluating the various effects of housing policies. As an economist who does quantitative work, I understand the role of the economic affairs division, and use the data it collects and maintains. As a researcher whose own work speaks directly to policy, I appreciate the critical contribution of this department in driving sound data-based policy decisions. Part of the department's charge is to link to the broader research community, of which I am a long-standing member.

Second, the office of Policy Development and Research has a much broader and more important set of constituents, namely the wide array of Federal, State, and local actors in the housing and community development fields. I have been actively engaged with members of these groups far beyond my research, from advising and collaborating with city and State agencies, to formal and informal work with community development and based organizations. These experiences provide me with a much greater understanding of their needs, and how HUD may better serve them.

Finally, I have extensive administrative and managerial experience. Over my career, I have undertaken a range of leadership roles, including more than a decade leading the largest Master's program at NYU's Wagner School of Public Service. My most significant managerial role was as Associate Dean of Faculty, during a time of momentous change at the school and the university. This position required working collaboratively within the school, across the university, and externally with key stakeholders. I chose to do this work because having well-run institutions matters, and having managed has improved how I think about the design of effective policies.

I believe in HUD's mission of creating and supporting cohesive and economically healthy communities. Doing so requires the data and knowledge to make sound, evidence-based choices about using our limited resources well, and this is the department's main role: to create such knowledge, and to participate in policy decisions that make good use of evidence. Secretary Donovan has emphasized this approach in his tenure, even highlighting its importance to the continued transformation of HUD itself. If confirmed, I look forward to working tirelessly on this goal, with the Secretary, Administration, and Members of this Committee.

I would be honored to serve. Thank you and I look forward to your questions.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: O'Regan Katherine Mary
 (Last) (First) (Other)

Position to which nominated: Assistant Secretary for Policy Development and Research

Date of nomination:

Date of birth: 10/08/1961

(Day) (Month) (Year)

Place of birth: Urbana, Illinois

Marital Status: Single

Full name of spouse: NA

Name and ages of children: NA

Education:	Institution	Dates attended	Degrees received	Dates of degrees
	University of California-Berkeley	09/1985-05/1990	PhD	09/1990
	University of Pennsylvania	09/1979-05/1983	B.S.	05/1983

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

New York University Distinguished Teaching Award, 2010

Wagner Graduate School of Public Service Teacher of the Year Award, 2010 and 2004

Fellow, The Weimer School of Advanced Studies in Real Estate and Land Economics, class of 2009

Yale School of Management's Alumni Association Award for Excellence in Teaching, 2000 and 1993

Charles Tiebout Prize in regional science, Western Regional Science Association, 1990

Distinguished Teaching Award, University of California-Berkeley, 1988

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Policy Advisory Board, NYU McSilver Institute on Poverty Research and Policy		09/2011- present
Board, The Reinvestment Fund		03/2012- present
Policy Research advisory board, The Reinvestment Fund (Current chair)		09/2006- present
Editorial Board, Journal of Policy Analysis and Management		09/2000- present
Board, Institute for Public Administration		09/2001- present
Board, American Real Estate and Urban Economics		09/2009- 2011
Non Profit Academic Centers Council (Vice President, Nominations)		2008- 2010
Advisory Committee, Brookings-Wharton Papers on Urban Affairs		2000-2009
Member, Research and Analysis Subcommittee, Mayor Bloomberg's Neighborhood Investment Advisory Panel		2004-2007
Policy Council, Association for Public Policy Analysis and Management,		2004-2007
Association for Public Policy Analysis and Management, member,		1990-present
Association for American Real Estate and Urban Economists, member,		(approx.) 2003-present
Volunteer/other activity:		
New York Sports Club, New York		(approx.) 2000-present
Big Brothers, Big Sisters of the Bay Area		(approx.) 1986-1987
Inmentor, New York City		(approx.) 2006-2008

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

Analyst, Office of Hearings and Appeals, Department of Energy, July 1983-July 1985

Research Assistant, for intermittent projects from June 1986-August 1990 during graduate school for:
Professors Michael Wiseman, John Quigley, Daniel Rubinfeld

Teaching Assistant, University of California-Berkeley, September 1987-May 1988

Assistant Professor of Economics and Public Policy, Yale School of Management, August 1990-July 1994

Associate Professor of Economics and Public Policy, Yale School of Management and affiliate of the
Institution for Social and Policy Studies, Yale University, July 1994 - July 2000

Associate Professor of Public Policy, Wagner Graduate School of Public Service, New York University, July
2000 - present (*Note, title will change to Professor of Public Policy and Planning on 09/01/2013.)

Additional Positions at New York University:

Director, Public and Nonprofit Master Program, Wagner Graduate School of Public Service, New York
University, November 2002-present

Co-director, Taub Center for Urban Policy Research, Wagner Graduate School of Public Service, New York University, September 2005-June 2007

Associate Dean, Faculty and Academic Affairs, Wagner Graduate School of Public Service, New York University, November 2002 – June 2004

Government

Experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

I served on the Research and Analysis Subcommittee of Mayor Bloomberg's Neighborhood Investment Advisory Panel from 2004-2007.

I was part of a team that designed and ran the HUD-funded Community Renaissance Fellows Program, designed to nurture and train a new generation of community visionaries (approx. 1996-1998).

I provided analysis to the Connecticut and New Haven's Legal Assistance on measuring the value of public housing received by welfare recipients (approx. 1997-1998).

I served on the advisory board for Yale's HUD funded Community Outreach Partnership, named Neighborhood Partnership Network locally (approx. 1995-1997).

I advised the Connecticut Department of Human Resources on the impact of proposed changes for financing of subsidized childcare (approx. 1991-1992).

Published

Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

I have done my best to identify books, articles, columns, publications or relevant speeches, including a thorough review of personal files and searches of publicly available electronic databases. Despite my searches, there may be other materials I have been unable to identify, find or remember. I have located the following:

Journal papers

"Why do Higher Income Households Move into Low Income Neighborhoods: Pioneering or Thrift? Co-authored with Ingrid Gould Ellen and Keren Horn. Forthcoming. *Urban Studies*.

"What Can We Learn About The Low Income Housing Tax Credit By Examining the Tenants?" Co-authored with Keren Horn. *Housing Policy Debate* 2013, 23(3):597-613.

"Pathways to Integration: Examining Changes in the Prevalence of Racially Integrated Neighborhoods." Co-authored with Ingrid Gould Ellen and Keren Horn. *Cityscape: A Journal of Policy Development and Research* 2012, 14(3):33-53.

"American Murder Revisited: Do Housing Vouchers Cause Crime?" Co-authored with Ingrid Gould Ellen and Michael Lens. *Housing Policy Debate* 2012, 22(4):1-22. [Also released as a HUD cadre report, 2011, titled: "Memphis Murder Revisited: Do Housing Vouchers Cause Crime?"]

"The Low Income Housing Tax Credit and Racial Segregation" Co-authored with Keren Horn. *Housing Policy Debate* 2011, 21(3):443-473.

"Do Vouchers Help Low Income Households Live in Safer Neighborhoods? Evidence on the Housing Choice Voucher Program Crime." Co-authored with Michael Lens and Ingrid Gould Ellen. *Cityscape: A Journal of Policy Development and Research* 2011, 13(3):135-159. [Also released as a HUD cadre report, 2011, titled: "Neighborhood Crime Exposure Among Housing Choice Voucher Households."]

"How Low-Income Neighborhoods Change: Entry, Exit, and Enhancement" Co-authored with Ingrid Gould Ellen. *Regional Science and Urban Economics* 2011, 41(2):89-97.

"Crime and Urban Flight Revisited: The Effect of the 1990s Drop in Crime on Cities." Co-authored with Ingrid Gould Ellen. *Journal of Urban Economics* 2010, 68(3):215-290.

"Welcome to the Neighborhood: What can Regional Science Contribute to the Study of Neighborhoods?" Co-authored with Ingrid Gould Ellen. *Journal of Regional Science* 2010, 50(1):363-379.

"Crime and U.S. Cities: Recent Patterns and Implications." Co-authored with Ingrid Gould Ellen. *Annals of the American Academy of Political and Social Science: the Shape of the New American City* 2009, 626:22-38.

"Immigration and Urban Schools: The Dynamics of Demographic Change in the Nation's Largest School District." Co-authored with Ingrid Gould Ellen and Dylan Conger. *Education and Urban Society* 2009, 41(3):295-316.

"Reversal of Fortunes: Low Income Neighborhoods in the 1990s." Co-authored with Ingrid Gould Ellen. *Urban Studies* 2008, 45:845-869.

"Does the Structure and Composition of the Board Matter? The Case of Nonprofit Organizations." Co-authored with Sharon Oster. *Journal of Law and Economics of Organizations* 2005, 21(1):205-227.

"Does Government Funding Alter Nonprofit Governance? Evidence from New York City Contractors" Co-authored with Sharon Oster. *Journal of Policy Analysis and Management* 2002, 21(3):359-379.

"Immigrant Children and Urban Schools: Evidence from New York City on Segregation and its Consequences for Schooling." Co-authored with Ingrid Gould Ellen, Leanna Stiefel and Amy Ellen Schwartz. *Brookings-Wharton Papers on Urban Affairs* 2002, 183-205.

"Federal Housing Policy and the Rise of Nonprofit Providers." Co-authored with John M. Quigley. *Journal for Housing Research* 2000, 11(2):297-317.

"Nonprofit and For Profit Partnerships: Rationale and Challenges of Cross-Sector Contracting." Co-authored with Sharon Oster. *Nonprofit and Voluntary Sector Quarterly* 2000, 29(1):120-140.

"Where Youth Live: Economic Effects of Urban Space on Employment." Co-authored with John M. Quigley. *Urban Studies* 1998, 35(7):1287-1305.

"Spatial Effects on Employment Outcomes: The Case of New Jersey Teenagers." Co-authored with John M. Quigley. *New England Economic Review* 1996, May/June: 41-57.

"Teenage Employment and the Spatial Isolation of Minority and Poverty Households." Co-authored with John M. Quigley. *Journal of Human Resources* 1996, 31(4):692-702.

"The Effects of Social Networks and Concentrated Poverty on Black and Hispanic Youth Unemployment." *The Annals of Regional Science* 1993, 27:327-342.

"Family Networks and Youth Access to Jobs." Co-authored with John M. Quigley. *Journal of Urban Economics* 1993, 34:230-248.

"Labor Market Access and Labor Market Outcomes for Urban Youth." Co-authored with John M. Quigley. *Regional Science and Urban Economics* 1991, 21:277-293.

"Using Birth weights to Chart the Spatial Distribution of Poverty." Co-authored with Michael Wiseman. *Urban Geography* 1990, 11:217-233.

Book Chapters

"Racial Segregation in Multiethnic Schools: Adding Immigrants to the Analysis." Co-authored with Ingrid Gould Ellen, with Amy Schwartz and Leanna Stiefel. In William Tate, Ed., *Research on Schools, Neighborhoods and Communities: Toward Civic Responsibility*. Lanham, MD, Rowman and Littlefield Publishing, 2012 pp 67-82.

"Gentrification: Perspectives of Economists and Planners." Co-authored with Ingrid Gould Ellen. In Nancy Brooks, Kieran Donaghy and Gerrit Knapp, Eds. *Handbook of Urban Economics and Planning*. Oxford, England, Oxford University Press, 2011 pp 371-394.

"Exploring Changes in Low-Income Neighborhoods in the 1990s." Co-authored with Ingrid Ellen. In Bugenia Birch and Susan Wachter, Eds., *Reinventing Older Communities: Does Place Matter?* Philadelphia, PA, University of Pennsylvania Press, 2011 pp 102-121.

"Siting, Spillovers and Segregation: A Re-examination of the Low Income Housing Tax Credit Program." Co-authored with Ingrid Gould Ellen and Ioan Voicu. In *Housing Markets and the Economy: Risk Regulation and Policy. Essays in Honor of Karl Case*. John Quigley and Ed Glaeser, Eds. Cambridge, MA, Lincoln Land Institute, 2009 pp 233-267.

"Earned Income Ventures and Governance Issues" in *Generating and Sustaining Nonprofit Income*. San Francisco, CA, Jossey-Bass, 2004.

"Accessibility and Economic Opportunity" Co-authored with John M. Quigley. In *Essays in Transportation Economics and Policy: A Handbook in Honor of John R. Meyer*. Jose Gomez-Ibanez,

William Tyes and Clifford Winston, Eds. Washington, DC, The Brookings Institution, 1999.

Published Comments/Reports

Comments on Charles Clotfelter, "The Non-profit Sector in K-12 Education." In City Taxes, City Spending: Essays in Honor of Dick Netzer, Amy Schwartz, Ed. Northampton, MA, Edward Elgar 2004.

"Outsourcing by Nonprofit Organizations" Task force report, Avner B'Ner chair, National Center on Nonprofit Enterprise, 2001.

Comments on Jens Ludwig, Helen Ladd, and Greg Duncan, "Urban Poverty and Education Outcomes." Brookings-Wharton Papers on Urban Affairs 2001.

"Governance Practices Among Nonprofit Organizations Contracting with New York City." Co-authored with Ira Millstein and Sharon Oster. Yale School of Management Working paper, E-8 2000.

"Cars for the Poor." Co-authored with John M. Quigley, Access 1998, 12:20-25.

"Birth weights and the Geography of Poverty." Co-authored with Michael Wiseman, Focus 1989, 12:2.

Political

Affiliations

and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Member, Housing Policy Committee, Obama Presidential Campaign, 2007-2008.

Political

Contributions: Itemize all political contributions of \$500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

\$500 Barack Obama (Obama for America) 06/21/2007
\$750 Barack Obama (Obama for America) 03/25/2008
\$500 Barack Obama (Obama Victory Fund) 10/02/2008

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

Attached

Future employment

relationships: 1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

I am taking unpaid leave from my current employer (New York University).

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous

employer, business firm, association or organization.

New York University will allow me to return to my teaching position after completing my service.

3. Has anybody made you a commitment to a job after you leave government?

No

4. Do you expect to serve the full term for which you have been appointed?

Yes.

**Potential conflicts
of interest:**

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Agriculture's Designated Agency Ethics Official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Agriculture's Designated Agency Ethics Official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Agriculture's Designated Agency Ethics Official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

**Civil, criminal and
investigatory
actions:**

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

None.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None.

The undersigned certifies that the information contained herein is true and correct.

Signed: Kathy O'Byrne Date: 07/01/13

Qualification statement

My first exposure to the Department of Housing and Urban and Department (HUD) programs was through my mother, a nurse who spent most of her professional career running a community health clinic located within a public housing project in Providence, RI. I spent formative years going in and out of these projects, and hearing of the lives of its residents. Through this, I learned of the importance of place -- how neighborhoods matter in the lives of families, and how varied are urban areas and opportunities. While poorly functioning places can have profoundly negative effects on communities and individuals, I also saw that well-run community institutions and well-designed public policies can interact to improve lives.

My career has focused on such communities, institutions and policies. In particular, there are three aspects of my background that best prepare me to lead HUD's Policy Development and Research (PD&R) office.

First, and perhaps most importantly, my training and research align very well with both HUD broadly and PD&R specifically. For more than twenty years, I have taught and conducted research on a range of issues related to housing policy and urban areas, including understanding how and why low income neighborhoods change and evaluating the various effects of affordable housing policies. As an economist who does quantitative work, I understand the role of the economic affairs division, and have extensively used the data the division collects and maintains. As a researcher whose own work speaks directly to policy, I appreciate the critical contribution of research and PD&R in devising evidence-based policy proposals. Part of PD&R's charge is to link to the broader research community, of which I am a member. In fact, I have participated in research projects through HUD's research cadre, and presented work at PD&R in the past.

Second, PD&R and HUD have a much broader set of constituents than the research community, namely a wide array of federal, state and local actors in the urban policy and housing and community development fields. I have been actively engaged with members of these groups far beyond my writing, providing me with a greater understanding of their needs and perspectives. For example, I served on the advisory board for Yale University's Community Outreach Partnership in the 1990s, which aimed to create a bridge connecting the local community and community-based organizations to university resources. I was also part of a team that designed and ran the HUD-funded Community Renaissance Fellows Program (at Yale), aimed to nurture and train a new generation of community visionaries, in part through placements with local public housing authorities. I have worked formally and informally with community development and community-based organization (such as The Reinvestment Fund, a large community development intermediary), in addition to advising and collaborating with city and state level agencies.

Third, I have extensive administrative and managerial experience. Over my career, I have undertaken a range of school and university administrative roles, including a decade of directing the New York University's Wagner Graduate School of Public Service's largest master's program (with well over 500 students enrolled). My most expansive managerial role was more than two years as Wagner's Associate Dean for Faculty and Academic Affairs, a fulltime administrative position with a broad portfolio. This was during a time of momentous change at the school and university. In addition to overseeing internal faculty and curricular issues, I had the opportunity to shape the direction and structure of the school, and work with various teams (internal to

the school, and broadly across the university) on transformative change. I chose to do this work because having well-run institutions matters, and having managed has improved how I think about sound and effective policy.

PD&R is fundamentally about furthering HUD's mission of creating and supporting strong communities, through data and knowledge that improve program design and implementation. I am completely committed to that goal.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR JOHNSON
FROM KATHERINE M. O'REGAN**

Q.1. Dr. O'Regan, for the past few years, PD&R has been working on a Congressionally mandated Indian Housing Needs Survey. This survey is the first comprehensive study of the deep housing needs facing Indian Country since 1996. HUD faced some criticism from Tribes as it launched the survey, and has since worked to be more responsive. Going forward, will you commit to working with Tribes and us in Congress to ensure that the study stays on track and to maintaining consultation with Tribes?

A.1. Yes. HUD recognizes and commits to a Government-to-Government relationship with federally recognized tribes. The study in question is a report on the incidence of housing needs among Native Americans, Alaska Natives, and Native Hawaiians, and was mandated by the Senate report language in an appropriations act. For this study, it is necessary to survey in-person residents of reservations governed by the sovereign tribes, and the explicit consent of the tribal authorities that were randomly selected for the survey is imperative. Further, the Office of Policy Development and Research (PD&R) has consulted extensively with elected tribal leaders and tribally designated housing entities at meetings of their national and regional organizations. At all times, PD&R has been mindful of the need for consultation with the tribes that will be surveyed, and we have to date obtained excellent cooperation with most tribal governments. So far, all but one have agreed to participate. This cooperation will continue to be of prime importance in the completion of the survey, and we will conscientiously consult with the relevant tribal leadership.

HUD will work with the Members of the Committee to try to resolve any issues that might threaten the timely release of objective findings from this very important study.

**RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO
FROM KATHERINE M. O'REGAN**

Q.1. Economic analyses play a very important role in the drafting and implementation of Federal agency rulemakings. The Regulatory Flexibility Act was passed by Congress to ensure that any proposed regulations do not have a disproportionate regulatory burden on small businesses and small entities. This rule is very important to ensure that small business viewpoints and perspectives are taken into consideration by Federal agencies when drafting and implementing regulations and to calculate any potential burdens.

What are your thoughts about the Regulatory Flexibility Act and what role does the Office of Policy Development and Research play in helping the Department to comply with the law?

A.1. I agree that the Regulatory Flexibility Act plays an important role in the Federal rulemaking process to keep agencies focused on the potential compliance burdens faced by small businesses and similar entities. The Office of Policy Development and Research (PD&R) is responsible, in cooperation with the HUD program offices promulgating the rules, for drafting the Initial and Final Regulatory Flexibility Analyses required by the Regulatory Flexibility

Act when HUD issues a rule having a significant economic impact on a substantial number of small entities.

Q.2. Executive Order 12866 requires Federal agencies to conduct cost/benefit analyses for “significant regulatory actions” that may have an annual effect on the economy of \$100 million or more or adversely affect the economy in a material way.

What are your thoughts about Executive Order 12866 and what role does the Office of Policy Development and Research play in helping the Department to comply with the Executive order?

A.2. I believe it is very important for Federal agencies to be cognizant of the full economic effects of regulations, both positive and negative, and that Executive Order 12866 and its implementing guidance provide agencies with firm and thorough guidance on how to do so. The Office of Policy Development and Research (PD&R) is responsible, in cooperation with the HUD program offices that promulgate rules, for drafting the Regulatory Impact Analyses for economically significant regulations as required by the Executive order. As part of the rulemaking process, PD&R staff also work with the program offices to examine alternative approaches to help select the approach that achieves the regulatory objective while imposing the lowest compliance costs.

Q.3. President Obama issued Executive Order 13563 to improve the regulatory process and regulatory review. Specifically, the Executive order “must identify and use the best, most innovative, and least burdensome tools for achieving regulatory ends” taking into account benefits and costs, both quantitative and qualitative.

What are your thoughts about Executive Order 13563 and what role does the Office of Policy Development and Research play in helping the Department to comply with the Executive order?

A.3. I believe that Federal rulemaking should always be guided by clear analysis and consideration of effectiveness and compliance costs. The Office of Policy Development and Research (PD&R) is responsible, in cooperation with the HUD program offices that promulgate the rules, for producing the analyses required for rules to be cleared by the Office of Information and Regulatory Affairs in the Office of Management and Budget. These analyses include evidence that demonstrate how HUD examined the available means for achieving the regulatory objective in the most innovative and least burdensome way as required by Executive Order 13563.